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INCLUDING Q&A

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DIRECTOR STANSFIELD TURNER: We're very pleased to have you with us here this evening. We're very pleased that you're this interested in the state of American intelligence. If there's one conviction that we all have here, it is that it takes the support of the populace of this country for any governmental institution like this to flourish. And we're pleased, because of your important role in informing the country in many ways, that you're interested in hearing about what we are doing.

And I'd like to talk about a few of the trends in American intelligence, in part because one of those trends I think is a direct and increasing interface with the American business community, with which you, of course, have so much contact. There's been a symbiotic, a friendly, a traditional relationship between our American intelligence agencies and the American business community for many years. It's been a very useful and most proper flow of information from the business community to us. We never want to go out and use expensive, risky, clandestine means of collecting information when it's available within the American body. And so we're very grateful when business will share some of their overseas experience with us when it's applicable and do it in, as I say, a quite proper way.

But there've been changes. There're trends in the way we are doing intelligence and in what we are doing today which are opening up possibilities for us to help make this a more reciprocal relationship, one in which the product of our efforts can be of use to the American businessman, we hope.

Let me explain why I believe this. If you look back to when we first organized thirty-one years ago a Central Intelligence activity in our country, the primary product that we were concerned with was information about Soviet military activity. If you look today at what the product of your intelligence community should be, I think it's apparent to all of you that while the Soviet's military element is a very

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important one, it is not as dominant today as it was thirty years ago, when we were thirty years ago the leading economic power of the world and certainly the dominant political power, as well, of course, possessing vast military superiority.

Over these intervening years, we have been required to develop interlocking relationships, contacts on the economic and political spheres with many, many more countries than the Soviet Union. And most of those contacts are much more active, much more important to us today than they were when we held such a dominant position on the world scene. As a result, we in the intelligence business are doing a great deal more in both political and economic intelligence today than we did in the past. We're very concerned at the economic growth rates of countries like Japan and the Federal Republic of Germany, because those growth rates have an impact on you and me and our dollar and our pocketbooks and our taxes.

We're interested in how much grain the Soviets are going to produce next year. Like last year 194 million tons, or the year before 223 million: the difference affects us, as you remember of the Great Grain Robbery of 1973 when they entered the market unexpectedly because they had a shortfall. We're interested in the world energy situation, because we happen to believe constrictions in energy in four or five years are likely to force a slowdown of economic growth around the world, let alone force an increase in the price of energy which will be reflected in your life and mine on a daily basis.

So today we have to look at these other aspects of our relationships with the rest of the world. And in recent years we've had to get into such esoteric fields as anti-terrorism and how can we help combat international terrorism, how can we find out what their plans and intentions are and thwart international terrorist activity or help protect people who are going to be subjected to it. And how can we combat international drug trafficking and try to help suppress it from the source, and certainly from importation into our country, without our getting into the law enforcement end of it, but getting into the intelligence end of helping the country defend itself by knowing what's going on in those areas.

These are new. They're demanding challenges to us. I don't want to in any way suggest that being well aware of Soviet military activity is not number one on our list. It's got to be. It's the number one threat to our country, and we've got to continue to give it top priority. What I'm suggesting to you is we're having to expand; we're having to develop new areas of expertise, new talents, new methods of analysis, new methods of collecting intelligence in order to satisfy these other critical needs for our country.

Because we're in greater economic analysis, I think we

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have greater opportunities to be of benefit to the American business community. And that relates to one of the other trends that I'd like to discuss with you, and that's a trend toward greater openness in American intelligence today. As I'm sure you're aware and would expect, our intelligence, as most in the world, has always operated on the basis of maximum secrecy and minimum disclosure. I happen to think that's an inappropriate policy for intelligence in the United States today. I happen to think that after the years of exposure that we've had of criticism and bad press over the last three of four years, the American public deserves to know more about what we are doing and why. And as I said at the beginning, only if we have that understanding can we expect to survive as an institution of our country.

The country accepted us on faith for about twenty-five years. Since the inquiries, since the criticisms, that's not the case. And therefore, we must come forward and justify our existence and show you a return on your tax dollar.

How are we doing that? We're responding more forthrightly when asked inquiries from the media within the limits of necessary secrecy that I'll talk about in a bit. We're attending conferences. We're asking you to join us here, and we're speaking more. And we're also publishing more. And let me explain how we do that. We're publishing more that I think will be of value to you as citizens and, in particular, to the American businessman. When we do a study, having got a lot of intelligence data gathered and sifted it out and sorted it and tried to put the pieces together and come to some useful conclusion for our national policy-makers, we look at it and we say if we took two things out of this, could we publish this and make it public. The first thing is how we got some of the information, because if you disclose that, you may never get it again. Secondly, information which gives our President, our Congress unique advantages in making decisions, because they know this and other people don't know that they know.

If we take those two things out and then say to ourselves that there's still enough information here that's meaningful and useful that it will add to the quality of American debate on this topic, we publish it.

Twenty minutes ago I was in a meeting on a new forecast of the Soviet economy in the next decade and which way it's going to go. We published one just last year, and in that one we said we see several factors that are going to constrict economic growth to the Soviet Union. And that's going to impact on American business, because they're not going to have the foreign exchange to enter the market for our products. We've just revisited that, and, as I say, a few minutes ago, I put a general approval on the study that we've re-done and said how long before we can

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take it from its present classified form into an unclassified one. And they said a couple of weeks. And we'll then publish it, hope that it will be helpful to others. You may remember that with some controversy a year ago April, we published a world energy prospect. This was a study that had been underway for a year and a half around here. We think it's a very important one; it's a controversial one. Not everybody agrees with us. What we've really said is not what's been reported sometimes. What we said is we think in the next seven, eight years the world -- the world would not be able to get as much energy out of the ground, as much oil, as it would like to consume. Not that the oil isn't down there, but that between now and about 1985 we're not going to be able to get it out or find alternatives at a rapid enough pace, like nuclear or solar or other energy, to satisfy our overall need. And therefore, energy will very likely be a constraint on economic activity sometime between now and 1985, or thereabouts.

We published that. It was controversial. We hope it helped to focus debate on an important issue. And the controversy, in turn, fed back to us. It sharpens us. It keeps us on our toes. And it helps us, as we listen to the criticism, say "Where should we focus our intelligence collection effort over the next four or five years to see whether it's going the way we thought or the way somebody else thought." So it's useful in both directions. We've revisited that study. We will re-publish it shortly, and generally our conclusions have not changed substantially in the past year.

We published studies on international terrorism and the impact they will have on American business, and unfortunately we are predicting that we see no pressures, no trend to lead us to believe that there's going to be a substantial decline in this unfortunate activity.

Now let me not overstate the case. There's no way we can be completely open. We're an intelligence organization, and much of what we do cannot be done if it's not done in secret. Much of what we learn and analyze is of no value to our decision makers if it's simply broadcast on the street. And there are lots of problems in our country today with respect to keeping as much secret as we absolutely need to have secret in order to conduct a useful and a fruitful intelligence activity.

One threat is just, pure and simple, espionage. We've had a number of cases of important industrial espionage. I guess "important" wasn't a very good choice of words. But catastrophic industrial espionage in recent years. And industrial espionage is the primary focus of the Soviet Union today, sometimes in the military intelligence spheres, but

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also in the plain industrial processes and techniques which the Soviets are trying to gain and emulate. We believe that there's more attention needed in American industry to preventing this. And we're working hard with industry to move in that direction.

But a second real problem is that of leaks, many of which, I'm afraid, come out of the government, not out of industry. And these are a very serious problem also, and we're working on it in many different ways. But it's not an easy one, as I'm sure you appreciate. But some of the leaks that we've had in recent months have been of very serious import to our credibility as an intelligence agency for our country and our ability to continue collecting information, either by working with other human beings around the world who are beginning to lose faith in us if we can't keep secret our relationships with people like themselves, or by our technical means of collecting information, almost any one of which has a countermeasure if people think about it and work on it enough. When you start exposing how you go about doing these things, the countermeasures appear, and they appear very rapidly.

Now some people feel that there may be a contradiction between a trend towards greater openness and an emphasis on greater withholding of our necessary secrets. I don't happen to think there is. I happen to think one of the greatest threats to secrecy in our country today is a lack of respect for the secret label on a document. There are too many secrets. Churchill once said when everything is secret, nothing is secret. And we've come too close to that in fact.

So by attempting to declassify and publish, make available to the public as much as we can within the limits I have described to you, we hope to reduce the amount of classified information and garner greater respect for that which remains and hope thereby to tighten the noose around the true secrets. After all, some of these rogues who've gone off and written books or given interviews or appeared on TV and covered information that they should not have have really done so, in large measure, as a lack of respect, a lack of understanding and appreciation of the importance of the information that they were giving away. And we've come to a time in our country where we've given too much credence, too much respect to those people who have so-called blown whistles, and whatnot. And one does not want to denigrate the importance of contributions like Woodward and Bernstein's to our society. But if we don't find the proper balance sometime soon so that every individual doesn't feel that it's his province to decide what should be classified and what should be unclassified for our country, all 215,000,000 of us, that's pure chaos. And I think it's about time that we restored a modicum of trust and confidence in the elected

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and appointed officials who make these decisions on what can be released and what must be withheld from the public.

But I'm not asking or suggesting that the public simply take us on faith. I'm suggesting to you that still another trend in American intelligence today is a greater oversight process. Now, there's a contradiction in having public oversight and having any degree of secrecy. So what we are evolving in this country -- and it's an exciting period and process -- is what I call surrogate public oversight. And the surrogates for the public are numerous.

First, there's the President and Vice President, who today take a very keen interest in intelligence, not only in the product, but in the process and how we're going about it. I meet with the President once a week and explain to him what we're doing, answer his questions and assure that he is well and thoroughly informed on what we are doing that would be of a concern and interest to him.

Another surrogate is one that he has appointed, the Intelligence Oversight Board, three gentlemen, former Governor Scranton former Senator Gore, Mr. Tom Farmer of this city, who report only to the President, and they work only on questions of legality and propriety of intelligence activities. If this scoundrel Herb, or any of these other people around here think I'm doing something wrong, they write to or communicate with the Intelligence Oversight Board; don't have to go through me. And that board investigates it, reports only to the President what they think happened and what should be done.

Perhaps the most important oversight process that has been established in recent months has been the two committees of the Congress, one in the Senate, one in the House of Representatives, each to oversee the intelligence process. And I think they're doing a splendid job. They keep us on our toes. They keep us up there telling them what's going on, reporting to them, and we're finding the right balance. But it's going to take time to settle it out between that degree of oversight which will give them a check, a control, which will give me a sense of relationship to the American public and what it understands and what it wants and expects from us, and what at the same time will not provide such a large forum for discussing all these very sensitive issues that we end up with too many leaks.

We're going through this process today of establishing a relationship with our oversight bodies. I can't tell you that it's working perfectly or that it's going to work as perfectly as we hope it will. I'm confident. I'm optimistic, but it's going to take a year or two, perhaps a little longer

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to really iron it out and to see to it that we don't end up with intelligence by timidity because we're worried about leaks or we're worried about too much oversight, but that we do end up with that proper balance of control, that proper balance of oversight that will reflect the American values.

The President, as Herb mentioned in his remarks in early February, signed a new order reorganizing the intelligence community and somewhat strengthening my authorities as the Director of Central Intelligence -- that's the role in which I am empowered to coordinate all of the intelligence activities, not just those of the agency, the Central Intelligence Agency. And his objective here was to move in the direction of these trends that I've been describing to you. For instance, he gave me new authority to manage the budgets of all of the intelligence activities, whether they're resident in the Department of Defense or the Central Intelligence Agency, or elsewhere. And that's been very helpful in bringing this community together. He gave me authority to dovetail the analytic effort of the intelligence community. That's very important, and there is a very important and fine distinction here, because we do two things in intelligence: we collect information and we analyze it.

Now in analyzing it, you want to be very careful that you let divergent views come forward, because when you're pulling all these diverse, miniscule pieces together into a puzzle, it's not always exactly clear what the picture is going to say, and different people interpret it differently. So in strengthening my Director of Central Intelligence authorities here, the President has been very careful that we maintain an independent analytic capability in the Defense Department and in the State Department, and here at the Central Intelligence Agency. And they work with, but compete with each other, so that we do have different views at all times.

On the other hand, his order also strengthened my authority to control these collection elements, how we go out and get the information. That's expensive; it's risky. We don't want more duplication than we can possibly minimize here. We want to see to it that the effort is well coordinated. We don't want this hand looking to the right, and this one looking to the left, and no one looking down the middle. We don't want somebody collecting on part of the problem and nobody else collecting on the other part. We want to be sure that everything is brought together so that the gaps in what one intelligence collection capability can leave you are filled by another one. So I am now empowered to control all of the collection elements as to what they do day by day.

And finally, the President's new order established a committee of the National Security Council to give me overall

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direction as to what our priorities are. It's not we in intelligence who should decide what's most important for the country to know today and tomorrow. It's for the people who are going to use it, the consumers. And that's what this new committee will do.

So with these trends that I am tried to describe to you of greater emphasis on economic and political intelligence, greater openness on the one hand, but a very high concern for keeping secret what must be kept secret on the other, and a more thorough oversight process, I think that the trends in intelligence today are for greater effectiveness for our country. I believe we have the best intelligence service in the world. There's no reason we cannot keep it that way. I assure you that every one of us here is dedicated to doing just that.

Thank you.

[Applause.]

I'd be happy to try to respond to your questions.

General Grunther, you always have a question. How are you tonight, sir? Nice to see you. In the back.

Q: Because of all the sniping that's taken place, I'm very curious about the morale of the organization. I should think it would be a most difficult job for you to recruit and keep high morale with some of these nuts around Washington.

DIRECTOR TURNER: That's a good point and one I appreciate.

Very fortunately, to take the morale thing first -- I mean the recruiting part first, we believe that the recruiting has picked up even through the criticism period in 1974 till now. Recently, as you may have noted, we placed an ad in the New York Times. We got a little publicity out of that. And we got two and a half times as many applicants in the last couple of months as we've had in any spring period in the past.

We recruit on a hundred fifty campuses. We think we're getting very good talent. And I'm impressed by the young men and women I see joining our intelligence organization.

There is no question that we've had years of intense criticism, of being exposed to the public for almost the first time. And then being exposed in a critical way has had a definite impact on morale in our intelligence community. I think we're pulling out of it. And I can only say that the people here are so fine that despite the discouragement that comes from

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being criticized and seeing distortions in the press to which you cannot respond frequently, that I have a great faith that they have continued to do their work just as well, and that their morale will return in time.

Let me give you an example. I talked with one of our more senior people the other day. A couple of years ago he had a son in a liberal Eastern college. And you know, his son was miffed that his father worked in the CIA. Now after you've been here twenty or thirty years, that gets to you. It's tough on people when the public attitude is such that what you joined as an honorable profession and what you've dedicated your life to -- and I assure you that the people in this profession -- and I'm a newcomer to it; and I'm not boasting to you at all -- they make as many sacrifices personally in the name of trying to serve their country as do any people in our government.

Q: What are the qualifications you look for in recruiting....?

DIRECTOR TURNER: What are the qualifications for a recruit?

One of the big qualifications is some experience after college. We like to get people who've been out and done most anything for a couple of years. Why? Because those who join our clandestine side, who go overseas and are operators over there, have big responsibilities on their shoulders. And we like somebody who's got just a little extra sense of maturity.

On our analytic side, the people who are open and above board and work here on analyzing the information collected, we have a surprising diversity of intellectual disciplines represented here. Yes, there are a lot of history and English type majors, or political scientists who have broad views on the world political scene. But we have people in psychiatry, biology, chemistry, almost any skill that you go to.

So when young people come to me and say "What should I tell you if I want to join the organization?," I say study what you're good at, because we've got it here in some degree.

Yes, ma'am.

Q: Can you hold out any hope that terrorism, world terrorism will be brought under control?

DIRECTOR TURNER: Any hope that world terrorism will be brought under control? The one small hope or ray of hope that I see is that the intelligence agencies of the world are

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cooperating almost wholeheartedly in this one area, not communist versus noncommunist, specifically. But we and all our West European allies, for instance, have a very close and complete exchange of information on this. That's not a big hope, I'm afraid. I think it basically is going to take a stiffening of attitudes in all of our societies. We're talking more about the European one because we get less, and partly because I think our society doesn't want to tolerate that, plus we have to stand up and be counted on the street corner when some of these things happen. I'm not sure that's always the case.

But I'm not able to give you any real big encouragement, I'm afraid.

Q: My question's related to the first one. Doesn't the new -- the various exposures and the layers of oversight make it difficult to develop foreign sources of information....?

DIRECTOR TURNER: The disclosures are very serious in that regard. If we don't close them off, the leaks off so that people overseas have confidence they can work with us -- foreign intelligence agencies, individuals in countries abroad -- we won't be able to have that kind of capability in four or five years. I'm worried about the long-term impact. It is -- it is a very serious one.

The oversight process I believe will work out to where it is not a risk. Well, any time you tell anybody a secret, it's a risk. But I think we will work out a process, are working out a process with the Congress whereby that oversight can be kept within bounds.

I was up there all last week talking about Cubans in Zaire on a very highly classified basis. There was one leak the first day, and I stood up and complained the next three days, and there hasn't been a leak since. I think this is an educational process. And I have found the Congress cooperative, understanding. You have problems from time to time. But I think it will work itself out. And as I say, it takes some time.

Q: I'd like to ask you, because we're not aware of the industrial sabotage problem, would you give us an example of some of this that we may not have known?

DIRECTOR TURNER: Is the country aware of the industrial espionage problem, and can I give an example.

I'm not sure the country's well aware of it. But in December, 1976, two young men named Boik (?) and Lee, who worked in a contractor's plant in Los Angeles, a contractor that had a major program with us here in the intelligence world, were ar-

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rested. They'd been taking documents out of the plant, shipping them down to Mexico City and transferring them to the Soviet Union there. They were caught in Mexico City and returned to the United States, and they have since both been convicted and sentenced to jail.

Here in Washington, D. C., and the date slips me; it was before I got here, but I think the fall of '76, a former employee of the agency threw a package over the fence around the Soviet Embassy on 16th Street. Fortunately, from what I read of it, the Soviets thought it might be a bomb, so they called for the fire department. [Laughter.] We got our package back and the man in jail.

[Laughter.]

Detente, in my opinion, is a net plus for our country. From an espionage point of view, it's a net minus. We are more open to their coming in here, because still, despite detente, an American walking down the street in Moscow is a much more obvious foreigner than a Soviet walking down the street in Washington.

Q: [Inaudible.]

DIRECTOR TURNER: Well, in response to the first one as to why we may not have taken into account all of the efforts of the Soviet Union to use alternative sources of energy, you have to keep in mind our study talks about between now and 1985. And what we tried to do was project what developments, either in conservation or in greater use of coal, might take place before that time. And we feel that a decline in production of the Soviets' oil fields is going to be greater than these other alternatives can be in that period.

Now, over the longer haul, number one, they've got lots of oil in the ground. And number two, you can convert many more plants to coal, and so on, in that period of time.

Your question on the United States was similar, wasn't it?

Q: Yes.

DIRECTOR TURNER: As far as the United States was concerned, what we were predicting was based on the conservation laws that were in effect, not taking into account any marked improvements on the President's energy bill, which is still being debated. And we could improve somewhat if we conserve more in the next few years. It was trying to take into account nuclear power plants and other conversions to coal, and so on, that will be coming along. But of course, as you're well aware

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in the energy business, the rate of construction of nuclear power plants in our country and in the world is down very precipitately from what had been predicted just three or four or five years ago. The rate of additions of that kind of alternative has slowed markedly. And again, the concern simply was that in this seven year time frame, there wasn't enough potential that could be brought on to the line in a practical way.

Q: What form of redress is there to leaks by members of government, particularly in Congress, and in your opinion is it adequate?

DIRECTOR TURNER: That's a political explosive question. [Laughter.] We have a very antiquated espionage law under which the two cases I mentioned were prosecuted. You have to be caught giving it to a foreign power, not leaking it to The Washington Post. I think that's still not a foreign power.

So there is not a good law that applies specifically to that kind of a leak, if it isn't real espionage. When you join the Central Intelligence Agency, you must sign a secrecy agreement that says you will let us check your manuscripts for classified information before they're published. Next week I go to testify in the first case we've taken to court of an individual, a former employee named Snepp who published a book without providing us an opportunity to review it and after expressly promising me himself that he wouldn't do it. So we asked the Attorney General and he has brought him to court. And the results of that case will in some sense determine how that segment of the government is treated; that is if the case is upheld, and that will strengthen the use of our secrecy agreement as a legal means of enforcing this issue.

Beyond that, it's very difficult for me to say what could best help us next. There're some people who would like to have much tighter legislation. There are problems here with the First Amendment, and all of us respect the need and the right of the press in our country to be free, to be able to get information. I'm personally am concentrating on ways within our government to close the gap by making people more conscious of the problem. Every couple of nights -- well, not that often, but every so often as you walk out of this building, your briefcase is inspected. Conscientious people often take classified material home to work on it. But that just is not acceptable. As much as I like to get another couple of hours' work out of them, I'm more concerned with the security. And it's not, you know, that that individual is all that likely to do something wrong with it. It's the engendering of an attitude of carelessness or casualness about protecting this information.

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So I haven't answered your question very directly. But we're in a major debate within the government as to whether we should try to get additional legislation. We're sort of waiting to see how this first case comes out.

Q: To what extent are you seeking cooperation from those who are civilians who either are assigned overseas for a period of time, or travelling overseas, in carrying out your activities?

DIRECTOR TURNER: We're very -- very much seeking your help and advice. We have a section of the Central Intelligence Agency called the Domestic Collection Division, which is totally open, listed in the phone book in thirty-five cities in our country. We maintain regular relationships with many American corporations. We protect them as sources as much as we try to protect undercover sources overseas. At the same time it's purposely above board and it's not any clandestine type of relationship.

We find this very valuable to us. As I did say earlier, it's just not right to go out and spend money and take risks to get information that is readily available. We have on several occasions been able by simply going to American industry and saying "What's happening here?" to find that Company A was selling twenty-five of something to the Soviet Union, Company B was selling twenty-five more, Company C was selling seventy-five of them, and when you added it all up, you find that it was interesting and alarming whereas any one of the individual statements was not all that significant. It was only because it was our job to go and collate the information that we got it.

And we're very grateful for the cooperation we have from American business.

Q: ...Two or three issues that are on your mind as you look to the future for the next five years?

DIRECTOR TURNER: Well. [Laughter.] What two or three issues are on my mind as I look ahead.

I think that the overall energy and economic issues that the world faces and how we avoid the kind of recession that developed out of the '73-'74 oil price rise. How we make sure we don't, if we did in fact have one, get into a dog-eat-dog contest that drives everybody and their economies down. How you handle the Japanese situation.

We had a lecturer here this afternoon. We have sort of enrichment lectures once in a while here, and you get a distinguished individual in. And they had Professor

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Reischauer today talking about Japan. And he said, "You know, what you're telling the Japanese today is the rules have changed." The rules used to be we're all for free trade; we're all for everybody getting out doing his best, every man for himself. That's our basic economic credo in this country. Now we're telling the Japanese "No, no, the rules are you've got to slow down; you're doing too well." And that's really what we're doing. And it's understandable, and it's quite proper, and there're a lot of arguments on both sides of this. But you know, how do you solve that problem? How you get the Japanese to play the game is going to be very critical to all of us.

Secondly, there's just no way you cannot be concerned at the amount of tension and the amount of resources the Soviets are giving to their military posture, coupled with the fact, as demonstrated in recent months, they're finding a new way to employ that military posture. Today they have close to military parity. They have more resources today available to give away, to loan, to use as they've been doing, coupled with a very good military power, the Cubans; coupled with the availability of a high capacity airlift where they can meet other people's needs quickly.

Another one, as I see it, is that we have the long-term strength. We have the economic wherewithal, we have the technical knowledge to help Third World countries to pull themselves up by the bootstraps. But in the short term, many of them, with unsettled conditions in their countries or on their borders, are looking for and want the military help. We're not as anxious to get into that game, because it isn't the long-term productive thing for them. So we've got to handle the short-term Soviet threat in that kind of a sphere so our long-term forces will come to bear. It's an interesting and difficult problem all around the world.

Those are a couple of things. Is that all right?

[Laughter.]

Q: [Inaudible.]

DIRECTOR TURNER: I'm really not sure I understand your question.

Q: Was there anything startling that you've learned since you came....?

DIRECTOR TURNER: Oh, okay.

Q: Any changes that you'd make.

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DIRECTOR TURNER: Well, I've never tried to be a noncontroversial fellow, and I've stirred up some controversy to make some changes here. This is a marvelous organization, but it's got a couple of characteristics that I thought were ripe for change. It's a young organization. It's 31 years old this September. And I think its personnel management system is just getting settled down, because we got a lot of marvelous people in at the beginning and they've been going through the system, but after thirty years they're beginning to leave. And we haven't -- as I said, it's a very operationally oriented group, and, you know, getting the job done was their first thing -- set up all the management personnel management tools that you need here to insure people of a good prospect and a good career when they come in.

So a great deal of my effort and attention has been levied on the personnel situation. I'm told to build for 1988, because if we don't worry about that, we won't be blessed by the quality of people we have now.

I have on one or two occasions found it necessary to combat what I felt was too much of a familial attitude here. This is a relatively small organization, and it's a very tight knit one and a very family oriented one. But we're in the big time, and you can't manage when you have these changes over the last ten or fifteen years in the way you collect intelligence, many more technical, sophisticated systems. You can't manage the old plant in the same way. And sometimes that's tough on the people whose skills are no longer needed. And we've had to do some....

Q: Could you comment on the CIA here vis-a-vis the Russian counterpart?

DIRECTOR TURNER: Yes. The Russian counterpart is called the KGB. It's much larger than we are. They put a tremendous amount of manpower into it. We will never attempt or want to match them in what we call human intelligence collection, spies that they turn out in great numbers. That's one reason I say we suffer under detente from an intelligence point of view.

From a technical intelligence collection point of view, because of our technical capabilities in this country, we are well ahead of them.

On the third aspect, the first two being ways of collecting intelligence, the third being what I refer to as analyzing and estimating it, I have the conviction that in a free society you can get much better free analysis than you can in a dictatorial society. And I think we'll always stay ahead of them in interpretation of the information collected.

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You can afford in this building to come to a conclusion that President Carter doesn't like. I don't know that you can do that in the KGB under President Brezhnev.

[Laughter.]

Q: [Inaudible.]

DIRECTOR TURNER: Yes. Yes, it's possible. That's, of course, one of the ways they go about it. And we've uncovered that in recent months, that type of activity where an American, a plain traitor to his country, was working in a corporation and passing information on out.

Q: But not a Russian per se.

DIRECTOR TURNER: It's unlikely to be a Russian, per se. That's correct. Or if he is, he's somebody who has come over here with enough savoir faire to disguise himself as not being a Russian. There are some of those around that get into the country somehow and get themselves established as a European or some non-Soviet type.

Q: Is it true that the CIA has an unlimited budget?

DIRECTOR TURNER: Absolutely not.

[Laughter.]

You should be around here when the budget debates go on, right now. And you know, we debate about five more people or very small sums of money comparatively. And our budget is under very close scrutiny by these oversight committees and the appropriation committees of the Congress. Four committees look at our budget, and I can assure you it's as thoroughly scrubbed as any department's budget. It just is not published. But to some extent you have things not thoroughly scrubbed, because not every member of Congress looks at it, though they don't all look at every detail of the Agriculture budget either, I'm sure, or the Justice Department's, or anyone else's.

But the information is available to every member by going to the oversight committees.

Q: Recently we heard that the American Embassy had been bugged in Russia. Is this very prevalent throughout the world? And has it damaged our intelligence effectiveness?

DIRECTOR TURNER: Well, this is very prevalent in Moscow. We had the big seal with its bug in it twenty-five

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years ago in our Embassy there. The Soviets gave us this seal, and it had a bug in it. [Laughter.] This is a egregious event where they tunneled under our building, put devices of one sort or another in it. I'm sure that it happens elsewhere, but I think this, as I said, is an egregious case. We have not yet been able to technically determine the extent of the damage. It's a very complex technical issue.

Yes, ma'am.

Q: With the collection and analysis of classified information, do you use outside contacts....?

DIRECTOR TURNER: Yes. We have a balance here, and we're very tightly held down by the Congress as to how much contracting out we do. And you can see their point on the one hand. It's just another way to increase your staff, that you misuse it to just, you know, hire people. If you hire them for a specific task that has, you know, a limited frame and time, that's much more likely, much more useful.

In addition, we have a group of about thirty to thirty-five consultants we keep sort of in the wings. And when we do a major study, we look at the list of them and say "Which are most appropriate to this? Which complement our own in-house talents?" And we ask two, three, four of them to come in for a few days at the beginning, a few days in the middle, and at the end that work with us and make sure that we haven't overlooked some major point. And they're very, very helpful to us. Some are academics. Some are from other areas of life.

Q: Sir, would you care to comment on your assessment of the Soviet long-term interests in the Middle Eastern oil?

DIRECTOR TURNER: The Soviets' long-term interest in Middle Eastern oil? That I think goes back to the czars, not to the Soviet Union even. And they're looking out.

Well, I'm just only going to emphasize that, yes, I think they have a thirst for the warm water, now the oil of the Middle East, but it goes back before oil was ever significant even. And if you take seriously our energy forecasts for the Soviet Union, it means that they've got to be more and more interested in it. Their recent move into Afghanistan -- it's not to an oil nation, but it's moving down into that area, and it has the Iranians very worried.

Q: I have one question, Admiral Turner, maybe the final one, because we appreciate your time. It's been a long, hard day.

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Now that you're moving into this kind of public posture, is Herb properly protected....?

DIRECTOR TURNER: Well, I brought Herb out here at the risk of his life. And he's survived a little more than a year now. And more than that, I'm sure that those of you who know him know what a tremendous person he is, what a very capable person he is. And I believe from all I can see, he's won the hearts and minds of all the people out here too.

Thank you for being with us.

[Applause.]